

ARTICLE APPEARED
ON PAGE A-9

NEW YORK TIMES
11 MARCH 1982

Haig Says Soviet, Pressed on Poland, Sells Off Gold

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, March 10 — Secretary of State Alexander M. Haig Jr. said today that the Soviet Union was so hard-pressed for foreign exchange, in part as a result of the Polish crisis, that it sold more gold in January — 60 metric tons — than in any other recorded month.

Mr. Haig, appearing at a hearing of a Senate Appropriations subcommittee, came under attack by several senators for refusing to press allies to scrap plans for helping build a natural gas pipeline from Siberia to Western Europe.

The Secretary responded by vigorously defending the allies and saying the joint actions taken so far by the West had caused serious problems for the Soviet Union.

In the midst of a sharp exchange with Senator Alfonse M. D'Amato, Republican of New York, Mr. Haig said the political and economic steps taken by the Western allies had produced "a continuing isolation of the Soviet Union." Senator D'Amato, who had accused Mr. Haig of engaging in "empty rhetoric," said the allies were not sacrificing enough.

"Now, don't believe for a moment that the regime in Moscow is immune to the impact of international isolation," Mr. Haig said. "They need international legitimacy. It is vitally important to a regime which is experiencing centrifugal pressures, economic decline."

He said that in January "the Soviet Union sold more gold than in any month in previous months of record — 60 tons versus some 200 tons for all of last year."

"Why?" he asked. "Cash problems."

State Department officials said the estimate of 60 tons had been reached on the basis of compilations by Western gold buyers. Based on the price of gold in London, the sale would have been worth approximately \$810 million.

Soviet gold production is a state secret, but Western intelligence agencies estimate that about 300 tons are produced annually, of which some 60 tons are used domestically. The Soviet Union is the world's second largest producer. South Africa produces about 650 tons yearly.

Senator Robert W. Kasten Jr., Republican of Wisconsin, chairman of the foreign operations subcommittee, said he was opposed to the Reagan Administration's decision against declaring Poland in default for failing to pay debts on grain purchases on time. He also criticized the Administration for not making a major effort to at least delay the pipeline project.

Mr. Haig has been engaged in a be-

hind-the-scenes dispute with Defense Secretary Caspar W. Weinberger over the pipeline issue.

The Pentagon has argued that the United States could significantly delay the completion of the pipeline by bringing pressure on Western European governments. The pipeline is scheduled to begin pumping natural gas from Siberia to Western Europe by about 1986.

The Pentagon believes such pressure could prevent European companies from producing components for the pipeline manufactured under license from General Electric and other American companies.

So far, President Reagan has not made a formal decision on the pipeline issue, pending the results of a trip to Europe this weekend by a delegation headed by James L. Buckley, Under Secretary of State for Security Assistance, Science and Technology. But all signs indicate that the Administration will not make an effort to block the pipeline project.

Mr. Haig, in response to Senator Kasten, said the "current estimate" of the Central Intelligence Agency was that the United States "cannot stop" the pipeline. He said the C.I.A. felt that any delay that could be achieved in completing the pipeline would be "infinitesimal." He said such a minor delay would not justify the potential damage to Western unity.

The pipeline issue has taken on symbolic importance in the United States and Western Europe. Conservatives in the United States have used it as an excuse to criticize the allies.